



EASTERN WORLD

THE ASIA MONTHLY

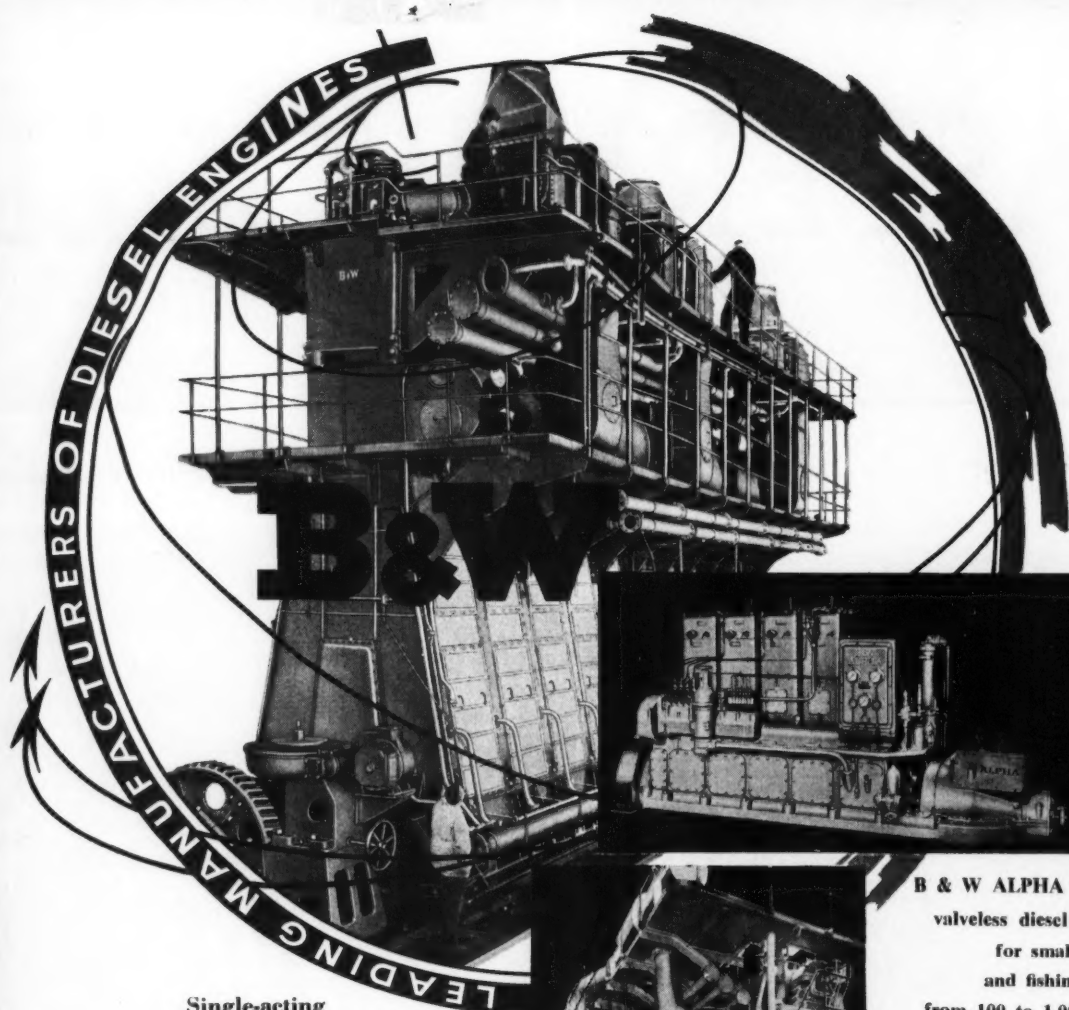
Volume XII Number 3

LONDON

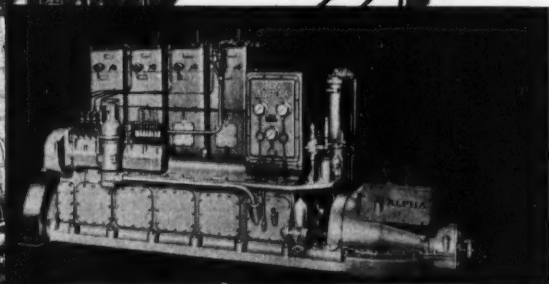
MARCH 1958

Two Shillings and Sixpence

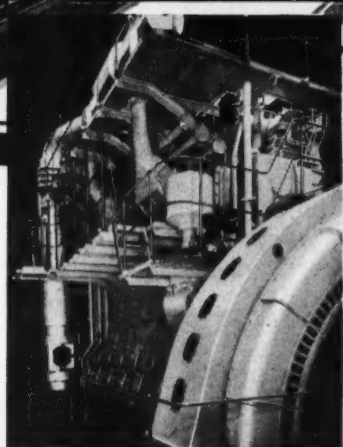




Single-acting
2-stroke marine
diesel engines,
with or without
turbocharge, up
to 22,000 BHP.



**B & W ALPHA 2-stroke
valveless diesel engines
for small vessels
and fishing boats,
from 100 to 1,000 BHP.**



**Stationary diesel engines
of 4-stroke design
up to 1,000 BHP.
2-stroke engines, with or
without turbocharge,
up to 17,500 BHP.**

BURMEISTER & WAIN

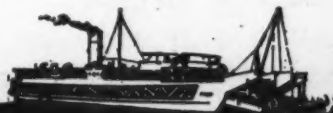
COPENHAGEN **DENMARK**

Agent for **AUSTRALIA:** United Maritime Agencies Pty. Ltd., Challis House, Martin Place, Sydney, N.S.W.
 Telegraph: BURWAIN DIESEL. Telephone: BL 3194-3195.
 Agent for **CEYLON:** Colombo Traders Ltd., P.O.Box 1104, Colombo 2, Ceylon.
 Telegraph: ALIBETRA. Telephone: 3468/78785.
 Agent for **HONG KONG:** The Ekman Foreign Agencies (China) Ltd., 9 Ice House Street., Rooms 708-709.
 Telegraph: EKMANS HONG KONG. Telephone: 31138-9.
 Agent for **INDIA:** Walihams and Co., 53-57 Laxmi Insurance Building, Sir Phirozshah Mehta Road, Bombay 1.
 Telegraph: BURWAIN BOMBAY. Telephone: 26-3435.
 Agent for **JAPAN:** S. H. Nyholm, 90/1 Kitanocho 4-chome, Ikuta-Ku, Kobe. Telegraph: BURWAIN KOBE. Telephone: 2-2470.
 Agent for **KOREA:** Pan Korea Trading Co., Ltd., P.O.Box 1116. Telegraph: BURWAIN SEOUL. Telephone: 2-5590 2-4298.
 Agent for **PAKISTAN:** Shahnawaz Limited, Victoria Road, P.O. Box 7357, Karachi-3.
 Telegraph: AUTOSHEZ KARACHI. Telephone: 70438/71506.
 Agent for **TAIWAN:** Mowlin Engineering and Trading Corporation, 10 Hsiang-Yang Road, Taipei.
 Telegraph: LYNCO TAIPEI. Telephone: 26221.

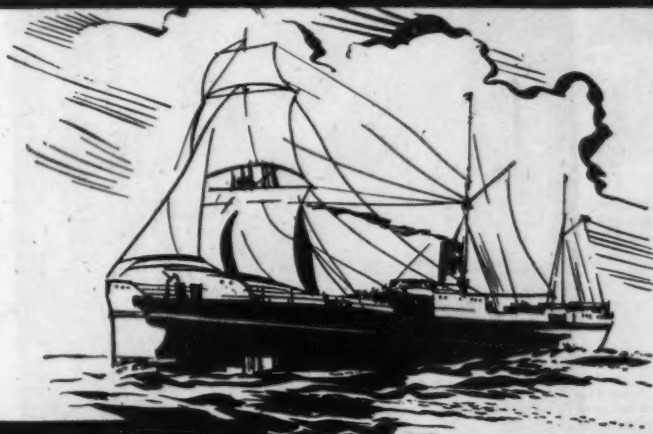
Steam was the spur . . .

The early steamships of the nineteenth century were forerunners of a prodigious upsurge in maritime trade. Compound engines, iron hulls and steel plates made possible larger ships and speedier passages. The industrial revolution provided cargoes, and ports were created out of estuaries or bays.

This was the time when Simons first built dredgers. As ports have grown, Simons Dredgers have been developed to meet the need for a channel ever wider and deeper. In harbours throughout the world they are maintaining what has been won, and creating greater depth whenever it is required.



Barges, Salvage and Sludge Vessels, Tugs and Kindred Craft with Steam, Diesel or Electric Power for Sea-going, River, Harbour and Estuary Service.



Simons
OF RENFREW

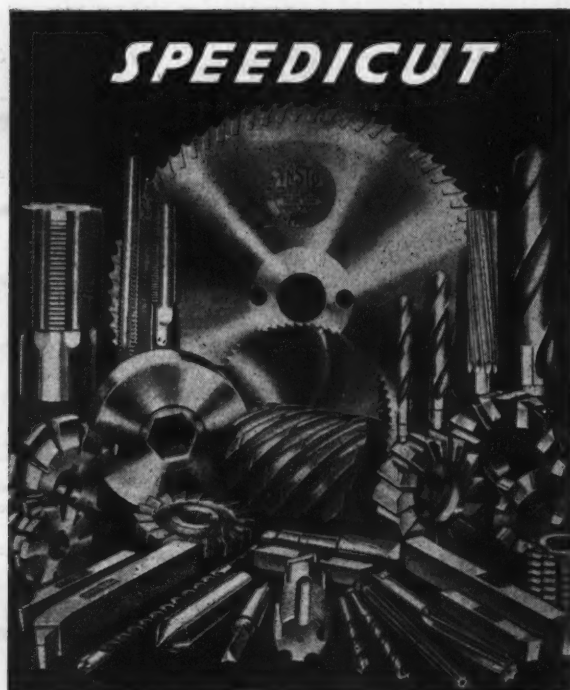
WM. SIMONS & CO. LTD · RENFREW · SCOTLAND



STATE EXPRESS
555

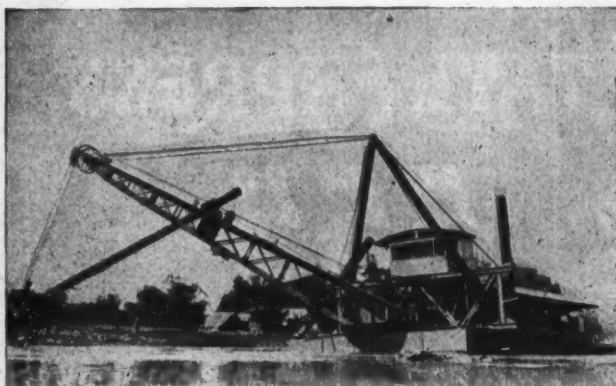
*The Best Cigarettes
in the World*

The House of STATE EXPRESS. 210 PICCADILLY, LONDON, W.1.



*...For those who
value maximum
efficiency*

FIRTH BROWN TOOLS . SHEFFIELD . ENGLAND
WILLIAM JACKS & CO. LTD., BOMBAY; NEW DELHI, CALCUTTA



ONE OF THREE
2 1/2 YARD DIESEL-ELECTRIC DIPPER DREDGERS
BUILT FOR
THE ROYAL IRRIGATION DEPARTMENT, SIAM.

OUTPUT: 148 cubic yards of silt and clay per hour dumped to a
radius of 72 feet and a clear height of 20 feet.

DREDGING ? REQUIREMENTS

CUTTER & DRAG SUCTION DREDGERS
SINGLE & MULTIPLE BUCKET DREDGERS
OF HIGHEST DREDGING CAPACITY.

HOPPER BARGES; PIPE LINES;
FLOATING CRANES, ETC.

**FLEMING
&
FERGUSON
LIMITED**

SHIPBUILDERS & ENGINEERS
PAISLEY : SCOTLAND

Phone: Paisley 4121. Tel. Add: "Phoenix Paisley"

MADURA MILLS CO. LTD., MADURAI
(SOUTH INDIA)

Mills at

MADURAI, TUTICORIN & AMBASAMUDRAM

COTTON YARNS

of all Descriptions

500,000
Spindles

SPECIALITIES:

Counts
Up to 80s

YARNS FOR
ROPES — HEADS — CANVAS — TAPE
BELTING DUCK — TYRE CORD
SEWING THREAD
MULTI-PLY and CORD YARNS

Managers: A. & F. HARVEY LTD.,
MADURAI - S.I.

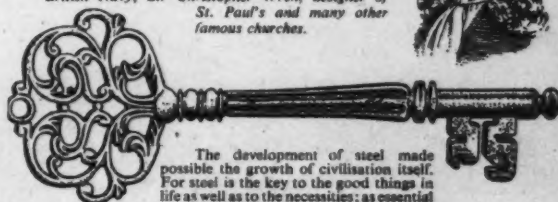
London Correspondents:

HARVEY BROTHERS AGENCY LTD.
34 Queen Anne's Gate, Westminster, S.W.1

STEEL

KEY TO INDUSTRY No. 27

No. 3 in this series of hand-wrought steel keys was made during the reign of Charles II. It does not leave much to the imagination looking at this key to remember some great events of the time. The Reformation, The Plague, The Fire, Personalities, 'Nell of Old Drury', the diarist Samuel Pepys, founder of the British Navy, Sir Christopher Wren, designer of St. Paul's and many other famous churches.



The development of steel made possible the growth of civilisation itself. For steel is the key to the good things in life as well as to the necessities; as essential to the maker of the precision watch as to the bridge-builder. Hallamshire high-grade alloy and carbon steels serve a multitude of industries in many ways.

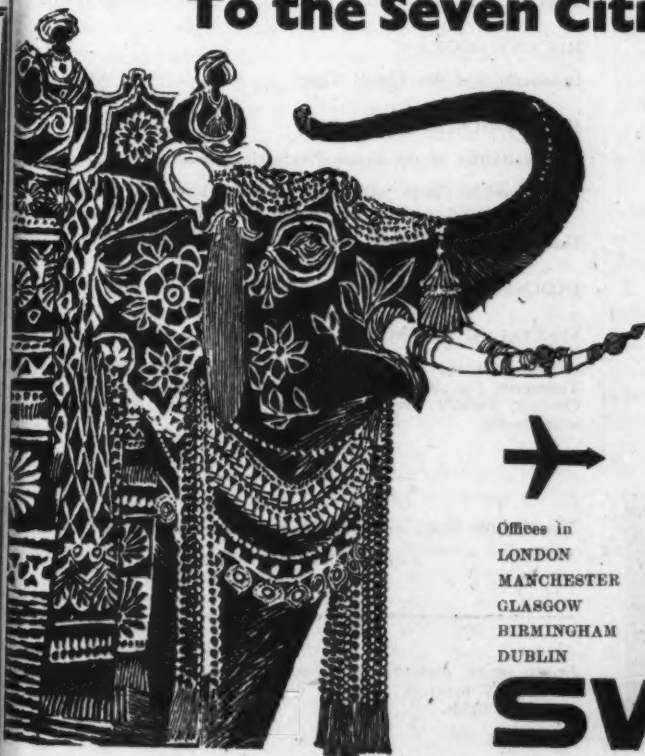
Can you distinguish the difference between the Key shown in No. 25 and the one here with illustrated? These two keys were very likely made by the same craftsman.

Hallamsteel

Manufacturers of:

ALLOY AND SPECIAL CARBON STEELS
BARS · SHEETS · PLATES · WIRE RODS
THE HALLAMSHIRE STEEL & FILE CO. LTD; SHEFFIELD 3
ENGLAND Phone: Sheffield 24304 (7 lines). Grams: Hallamsteel, Sheffield.

To the Seven Cities of the Far East...



Offices in
LONDON
MANCHESTER
GLASGOW
BIRMINGHAM
DUBLIN

... via the two great Business Routes through Pakistan, India and Thailand. Served with all the world-reputed efficiency and courtesy expected from the Swiss and providing the new Swissair "Stop-Over" plan enabling you to make extra business calls. Service, by Swissair's precision-maintained DC-6Bs, weather radar equipped for smooth flying and offering unchallenged Tourist comfort or the sheer bliss of First Class luxury with sleeper seats at no extra cost.

Tuesdays — Athens, Cairo, Karachi, Bombay, Bangkok, Manila, Tokyo.

Fridays — Beirut, Karachi, Calcutta, Bangkok, Hong Kong, Tokyo.

Ask your Travel Agent for details of Swissair's Far East Stop-Over Plan, allowing you to visit many additional cities at no extra cost.



SWISSAIR

SWITZERLAND OFFERS

Rest and Relaxation



Unforgettable holidays
beautiful scenery—healthy air—
Swiss hotels and inns are known
all over the world for their comfort
and service.

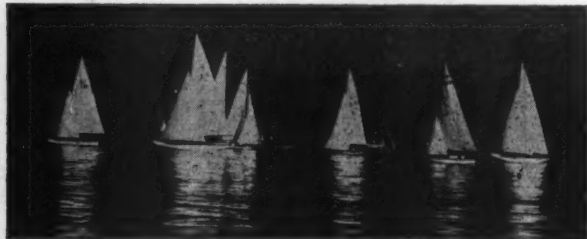
Cultural attractions
places of historic interest, museums
festivals, concerts, theatres.

Medical care
spas and sanatoria renowned for
their medical treatment.

Further information available from
all travel agencies, Swiss Embassies,
Legations, Consulates.

Swiss National Tourist Office

Bahnhofplatz 9, Zurich,
London office: 458/9 Strand, W.C.2



CONTENTS

EDITORIAL

The Summit's Need of India

COMMENT

- | | |
|--------------------------------|-----------------------|
| National Socialism in Thailand | Special Correspondent |
| Soviet Central Asian Republics | résumé by L. Delgado |
| Grievances in South India | Madras Correspondent |

ASIAN SURVEY

- | | |
|------------------------------------|----------------------------|
| Political Restlessness in Japan | Stuart Griffin |
| Okinawa: America's Dilemma | Special Correspondent |
| Indonesia: Mistrust of Japan | Djakarta Correspondent |
| India: Link with Tibet | Delhi Correspondent |
| Malaya: Tin and Diplomacy | Kuala Lumpur Correspondent |
| Singapore: Colonial Battleground | Singapore Correspondent |
| Australia: Macmillan and Indonesia | Charles Meeking |
| USA: Asia Society | David C. Williams |
| Pacific: Prosperity in Tonga | Special Correspondent |
| Ceylon: Flood Distress | Colombo Correspondent |
| China: American Visitors | Shanghai Correspondent |

RECENT BOOKS

- | | |
|--------------------------------|--------------|
| Indonesia and the Tinted Tiger | Ethel Mannin |
|--------------------------------|--------------|

ECONOMICS AND TRADE

- | | |
|--|------------|
| The Activities of the Japan Productivity Centre | Y. Sakurai |
| Scandinavia's Trade with Asia and the Far East (Sweden, Norway, Denmark) | |

Indian Agreement with Burmah Oil

INDUSTRIAL AND ECONOMIC NOTES

SPECIAL SUPPLEMENT

INDIA: Recent Trends in Indian Banking; Problems of Road Transport (by R. L. Gupta); Power Development (by W. H. Owens); India's Trade with Eastern Europe; Finland's Trade with India. (pp i-xii)

The Editor does not hold himself responsible for opinions expressed in signed articles.

Front cover picture: Woman of the Terai region in India prepares a meal of chappati awaiting the return of the family from the fields.

(Photo: Unation)

EASTERN WORLD

CABLES: TADICO, LONDON

58 Paddington Street, London, W.1

TELEPHONE: WELBECK 7439

Editor-in-Chief:
H. C. TAUSSIG

World Copyright Reserved

Distribution Manager:
BRIDGET M. EVERITT

SUBSCRIPTION: £1 10s. post free. AIR MAIL: Subscriptions taken by air mail to all countries depend on cost of postage added to the basic subscription fee of £1 10s. (Present additional costs: £3 p.a.)

London

March

1958

The Summit's Need of India

THE West having made a significant shift in its approach to the summit meeting by now conceding its desirability in principle, appears still to be bogged down in details and irrelevancies. Britain and America—though not, at the time of writing, France—have also agreed that a preliminary fracas at foreign ministers' level is not indispensable, but the West as a whole seems still to be seeking a warranty of non-consummation at the final confrontation. NATO, with its assorted European and Middle Eastern members, has approved the idea, but in unison with the western Big Three insists that the summit gathering must be small, and not include any countries suggested by the Soviet Union. Though India is not mentioned by name, it is pretty evidently against India that the objections are primarily directed.

The US, however, in order to meet the Soviet complaint of being kept in a perpetual minority of one to the West's three, is now, according to reports, willing to form four-a-side teams: the western three will coopt Italy, and the Soviet Union might have Poland, Rumania and Czechoslovakia to support it. But "neutralists" are barred—the State Department will have none of them, not even as observers. The American allergy to India dates from the Korean war, when India failed to side with American leadership and the United Nations majority in the bid "to save Korea for democracy." Many in India can understand why the Americans should feel this way, but they cannot see why Britain, too, should treat India as unfit for summit society.

Mr. Nehru has taken no steps to challenge western prejudices against India. From the tone and substance of his reply to Bulganin's letter, he seems content to remain on the side-lines so long as the big powers get down to a friendly match. Believing the essence of a summit meeting to be the holding of businesslike negotiations between the two giants, America and Russia, Nehru would have liked both sides to recognise the desirability of having the neutral nations attend. If asked by both sides, India would be glad to serve. Faced with western objections Nehru probably felt he could say nothing more, but his "non-alignment" on this particular

issue leaves without an uncommitted champion the Soviet demand for widening the summit gathering.

Why, then, should India or any other uncommitted country be present at the summit talks, when even Britain has become a lightweight in East-West power relations? No one could have stated with more brutal clarity than the Americans at the time of the Suez adventure that they, and they alone, would decide the ultimate question of when to make use of force. In this situation India could hardly hope to influence either the Americans or the Russians once material bargaining had begun between them. At that point it is probable that neither of them would want the presence of a third party. But before that stage is reached, the neutrals most certainly can be useful, as umpires or even as mere observers, to ensure that the views of both sides get a fair hearing. India's fitness for such a part cannot be gainsaid, even if it is the Russians who plead for her inclusion at the conference table. In opposing India's participation, the western powers only intensify the suspicion that they, by contrast with the Russians, have something to fear from independent witnesses.

Unhappily Britain has created the impression that she feels equally as vulnerable as the United States to the neutral gaze. An opportunity now exists to correct this impression. Britain could insist that India should be invited to the summit meeting. During the foreign affairs debate in the House of Commons a few days ago, Mr. Gaitskell made it clear that the British Labour Party would welcome the participation of an uncommitted nation, preferably India. The current national campaigns, together with high-level debates, show that a majority of the British public now favour disarmament, disengagement, and suspension of nuclear tests. For the first time since India's independence, Nehru's foreign policy is receiving some recognition here. The British Prime Minister's change of mind, immediately before his Commonwealth tour, in favour of a summit meeting, and his almost casual suggestion of a non-aggression pact was interpreted, not only in this country and the Commonwealth, but also in the US and western Europe, as a move, at least in part, to soothe and

woo the Indians. In India and in fact all the countries Macmillan visited, the idea of a non-aggression pact has caught on among governments and peoples alike far beyond his expectations. It is now up to the British Government to make the next move.

It would of course be an illusion to believe that the settlement of all world disputes would then be round the corner. Indeed, Britain's latest Defence White Paper claims explicitly that the present armed stalemate, with all its consequent international tension, could continue indefinitely, if not for ever. The public feeling, however, is against such gloomy forecasts, the trend being towards vigorous intervention to prevent them from coming true. The public demand for a *détente*, the negotiations for which must not be delayed, is gathering momentum. Not since the Spanish Civil War

twenty-odd years ago has the public been as concerned with foreign policy as now. It is hard to believe that the Government of the United Kingdom will be able much longer to resist the pressure of this public opinion.

Progress in peaceful coexistence, starting with a truce to the cold war, will require nursing by the neutral, conciliatory powers, just as did the cease-fire in the Korean, Indo-China, and Suez wars. India seems almost predetermined for the part of mediator, both from her style of diplomacy and choice of foreign policy, and from the power stalemate existing between the world's great powers. All can profit from India as a "mutual friend," which in effect she is already, both in public opinion and in the interplay of international power politics.

Comment

Sukarno and the Moderates

SOLUTION of the confused situation in Indonesia, whatever is suggested to the contrary, rests in the hands of President Sukarno and Dr. Hatta. The trouble in Indonesia is, in outline, quite simply explained. The moderate, anti-Communist, elements have become increasingly opposed to Communist and fellow-travelling influence in the affairs of government. These moderates are to be found in the three big parties — the Nationalists (PNI), the Masjumi, and the Nahdatul Ulama — as well as in the smaller parties. They have found it difficult to break the Communist influence down for three main reasons. First, in the implementation of his guided democracy concept President Sukarno has allowed the extreme left wing to assume positions of power in his National Advisory Council; secondly, because many in the three big parties (the old guard) have not been willing to be party to any change that would go to show that Dr. Sukarno was wrong; and thirdly, no political change would have the support of the people unless the greatly loved Sukarno could be identified with it.

In recent months the moderate young guard have been working slowly to overcome these obstacles. They have in the main, but not completely, taken control of the political parties from the old guard, but they have been finding it no easy task to constitutionally alter the structure already erected by the President, while at the same time saving his face.

Those moderate elements who have set up a rival government at Padang in Sumatra have been too hasty and too ambitious. Any move towards reform must be in the direction of unifying the different regions. The creation of a rival government based on Sumatra can only aggravate the possibilities of disintegration. To succeed, the reforming process must begin at the centre, and it must take Java with it. An upstart government, which undermines the moderate elements at the centre, could give the Communists and their friends the excuse and the opportunity to make trouble, and to make it in the name of the President and of law and

order. The rival government cannot succeed because although it might have the sympathy it does not have the support of the big anti-Communist parties.

Much rests on Dr. Hatta's shoulders as the spokesman of the moderate elements in Djakarta. It is up to him to convince the President that unless pro-Communists in the National Council and the Cabinet are replaced by moderates, the Republic will move rapidly towards disintegration. It is doubtful if Sukarno would accept replacement as that would show his judgement to have been wrong; but he might well accept Hatta's suggestion that the National Council be expanded with moderates so that the influence of the Communists is lessened. This is what is likely to happen unless the Communists use their influence with the President to toughen him against Hatta because of the situation in Sumatra. It has already been reported that Sukarno has demanded that Hatta condemn the rebel movement, and although Hatta and his moderate followers are sympathetic to the Padang group's feelings, they may have to express some condemnation publicly to make their cause seem constitutionally correct.

All sides are trying to avoid civil strife, and the government in Padang has never left it for a moment in doubt that they still think of Sukarno as President. At this moment of crisis, Hatta and the young guard must work with all speed, for the Communists will not be sitting still. Meanwhile it would be wise for the outside world to withhold its criticism. The choice in Indonesia is not between one side or the other in the cold war. The problem is purely an Indonesian one and the solution will be found there and nowhere else.

Hotch Potch in Pakistan

A WORLD of difference lies between official and unofficial attitudes in Pakistan: To the surprise of many Americans and others from the West at the thirteenth conference of the Institute of Pacific Relations, held in Lahore recently, Pakistani delegates expressed themselves in

terms as strong as their Indian counterparts on the subjects of the cold war, military pacts and military bases, aid with strings, and the attitude of the big powers towards Asia. If we were to believe the speeches of politicians in Karachi this could not possibly happen, for they would have us understand that the people of the country are right behind them in their membership of SEATO, the Baghdad Pact, the acceptance of US military aid and so on.

Many of the contentious issues between India and Pakistan would evaporate if relations between the two countries were a reflection of those between the Indian and Pakistani delegates to the Lahore conference. But the game of politics in Pakistan shows quite clearly that self interest is the prime motive among those who wield the power. The landlord and privileged classes in the West Pakistan Assembly have recently been kicking against the plan to hold the country-wide elections on a common roll, and in the ensuing political hotch potch it became clear that both the Republican Party and the Muslim League are little more than vehicles to be used for the convenience of riding to positions of power in the central Government. Members change sides with great rapidity according to which set of leaders appears to be in the stronger position.

By the middle of this month it seems that the Muslim League will have convinced sufficient Republicans to desert their party to bring down the Republican-held West Pakistan Government. There are no great political issues at stake, no clash of ideologies, simply tactical moves to gain power.

Peking Manoeuvres

THE surrendering by Chou En-lai of the Foreign Minister's post has caused a great deal of speculation.

In some quarters it is attributed to the failure of certain aspects of his foreign policy, notably over Taiwan (Formosa), and the seating of China in the United Nations. It is true that Taiwan is still tied to American apron strings, but short of war it is difficult to see what more Peking could have done in face of American intransigence. Chou can claim no lack of success in rallying sympathy for China over the Taiwan issue. Practically the whole of Asia agrees that legally Taiwan is part of China, and that acceptance of the fact of two Chinas is wrong.

That the Peking Government has not taken its rightful seat in the UN is no fault of Chou En-lai's. His reasonable utterances have done much to bring even many Americans around to believing it would be sensible to give way on the issue. It is doubtful if there is another person among the Chinese leaders who has the charm and the worldliness which have been such assets in Chou's personal contacts abroad. His successor, Marshal Chen Yi, is an intelligent and somewhat sensitive man who, like Mao Tse-tung, writes poetry and has a scholarly air. His success as a military commander during the war against Japan and later in the revolutionary campaign brought him the respect and trust of his colleagues. These, however, are not exactly the qualities necessary to a Foreign Minister.

It will not be surprising if Chou maintains a strong guiding hand in China's foreign policy. As Prime Minister his functions will not take him too far away from external problems, and the reshuffle may well denote a strengthening of Chou's position in the Peking hierarchy. The administration of foreign affairs will probably now become more of a

collective responsibility, for should China take part in important world meetings such as a summit conference, the country will wish to have a foreign policy more independent of Russian patronage than it has been hitherto. But beyond all this, there is the long overdue need to raise Chou's prestige in home affairs, and the change ought perhaps to be seen against the background of the anti-rightist campaign. Affairs inside China are, at the moment, more important than those abroad, and in this respect a Prime Minister of China has a great deal to occupy him.

The confidence and strength which was evidently felt at the time of Mao's "hundred flowers" speech has been shattered by the sharp reaction to the regime's internal policy. Well known figures — like Ting Ling, the writer, and two Ministers — have found themselves condemned for rightist activity. But however vigorously the Government combats the criticism against it, there must be deep annoyance at the extent of the dissatisfaction among the intellectuals whose support the Communists have always considered necessary for the successful planning of post-revolutionary China. That the regime has now to campaign so drastically against what it calls wrong thinking is a sign of weakness.

This has manifested itself in the treatment of Lord Lindsay, the British expert in Chinese affairs from the National University in Canberra. After having been granted a permit to travel with his Chinese wife in China to carry out historical research, he was suddenly refused entry at the border. Although it is said unofficially that he was turned away because he had previously visited Formosa, the likely reason is that he has too many Chinese intellectual friends whom the authorities would find it difficult to stop him from seeing. The Formosa excuse looks a little thin when it is recalled that China has recently welcomed a number of American visitors. And is everyone who has visited Formosa, a journalist on a fact-finding mission for instance, to be refused entry into China in future? This is carrying things too far, and China will only do herself great harm in the eyes of the world if this sort of mentality prevails.

Korea Stirs

CHINA'S expressed intention of withdrawing her troops from North Korea brings the question of a settlement of the affairs of that sad peninsular into prominence once again. People had come to believe that a solution would never be found; now there is a ray of hope. One recognises the difficulties and reservation on the part of the Americans, but as a show of good faith in a welter of misguided policy in Korea, they would have everything to gain by recommending to the United Nations that a neutral nations' commission, following a withdrawal of US troops, supervise elections throughout the country. They have had several years to impress their way of life on the South Koreans, and if the people do not choose to vote for it in a free supervised election the Americans must just swallow their pride and learn a lesson.

Probably the greatest obstructionism would not come from the Americans but from President Syngman Rhee. He, of course, does not want free elections; unification without elections is what he holds most dear. Whatever happens, the General Assembly in New York must take note of the Chinese action and themselves set steps towards a solution in motion.

NATIONAL SOCIALISM IN THAILAND

By Our Special Correspondent

THE long-standing military dictatorship in Thailand (Siam) has now taken a National Socialist turn directly encouraged by the ruling Army junta. The present Army controlled National Socialist Government is trying to promote a peculiar type of Rightist Socialism spearheaded by its trusted military politicians. While the Socialist aspect of its political ideology is symptomised by its desire to Socialise major economic interests of the nation, politically it aspires to the nation falling in line with its dictatorship in order to halt the growth of civilian party politics harmful to its pre-eminence.

At present it is difficult to foresee what would be the ultimate shape of this new National Socialism. It has started functioning by securing the full support of influential Liberal elements. The Democrats and the left-wing Socialists, who are by no means a negligible political force in the country, oppose it, for they want to see the introduction of democratic rule in Thailand. But the country has never experienced democracy in the way we in the West understand it. Since 1932 when the first well-organised military *coup d'etat* replaced absolute monarchy with the current constitutional kingship Thailand has been ruled by military dictatorship, though civilian political parties have been tolerated as a kind of appendage. The party-political representation in the Thai Parliament has never functioned in a democratic manner.

National Socialism has emerged because the ruling military caste has taken control of national politics to secure the supremacy it achieved by the last *coup d'etat*. The dictatorship wants to make sure that its rule will not be overthrown in the future by another *coup* organised by opposition military groups. Hence it tolerates the opposition of the Democrats and the left-wing Socialists. If however these opposition groups at some distant date undermine National Socialist power, there is no doubt that party politics would promptly be put in cold storage perhaps for good. In other words the era of direct political rule by the military clique has been inaugurated in Thailand by overthrowing the prolonged Pibul Songgram dictatorship.

Field-Marshal Pibul Songgram had been associated with the 1932 *coup d'etat* as a major. In 1938 by organising a military *coup* of his own he seized power and became Prime Minister. From then onwards, with one brief break, he maintained his dictatorship until he was overthrown in September last by his own close associates. During the Second World War when Japan took over Thailand, Marshal Pibul remained as head of the Government. In 1944 he tendered his resignation and after the war he was taken into custody by the post-war Thai Government to be tried as a "collaborationist." He was subsequently released cleared of all war-time charges and in 1947 when Bangkok witnessed another *coup* he returned to power as supreme commander of the armed forces. Small wonder that in 1948 he took complete control of the administration and re-installed himself as the Prime Minister. From then until his eclipse

in September 1957 he maintained his dictatorship by carrying out a number of Cabinet reshuffles.

Opposition to Pibul's dictatorship was brewing as far back as 1951. Especially a strong clique in the Navy believed to be in alliance with certain highly influential civilian politicians had been conspiring to oust him and establish a Navy-Air Force rule for the first time. The whole plot was unearthed by 42-year old General Nai Sarit Thanaret, then an Army commander. Immediately Marshal Pibul ordered him to teach the Navy a lesson and General Sarit took swift action against the Navy plotters. Recognising the abilities of the young general Prime Minister Pibul made him one of his close associates. General Sarit proved very valuable in putting down opposition to the regime. Finally, in 1954, Pibul rewarded Sarit by appointing him commander-in-chief of the Army with the rank of Field-Marshal. He was then only 45 and perhaps the youngest Field-Marshal in the history of Thailand.

About the same time General Phao Sriyanond, another close associate of Prime Minister Pibul, was building up a strong position for himself. In 1955 the first sign of a personality conflict involving Marshal Sarit and General Phao became visible. Each resented the other, for each of them aspired to step into the shoes of Marshal Pibul, whose personal intervention and persuasion prevented an open rift between the two antagonists for the time being. While Marshal Sarit began to put his trusted officers in key positions in the Army, General Phao started converting the Police Department and the Interior Ministry into his private military machine. At the same time both the antagonists plunged themselves into money-making by floating various businesses and financial enterprises. Thus both amassed money and became extremely powerful. By the end of 1956 both had so entrenched their positions that Prime Minister Pibul found himself entirely dependent on them for maintaining his dictatorship.

It is said that about the end of 1956 Marshal Sarit had become the complete boss of the Army, mainstay of Thai armed forces, and as such it was no longer possible for Pibul to go against his wishes. It is also said that at about the same time Marshal Sarit had obtained the support of several high-ranking naval and air force officers. Meanwhile political parties, probably individually incited by both General Phao and Marshal Sarit, began agitating for the holding of general elections. As a result it was announced that elections would be held in February 1957. Immediately General Phao started reinforcing Marshal Pibul's Seri Manangasila Party in his favour, while Marshal Sarit extended all possible undercover assistance to the opposition Sahaboom (Unionist) Party, the secretary general of which was his half brother. Also Marshal Sarit had maintained very friendly contacts with Dr. Sukit Nimanheiman, Unionist Party leader of Chinese descent.

The Thai Parliament has a total of 283 first and second category seats. There are 160 first category seats which are filled by candidates elected by voters. The remaining 123

are second category seats which are filled by persons nominated by the King. As a result of the February 1957 elections the official Seri Manangasila Party emerged as the largest elected party followed in order by the Unionist Party, the Democrat Party and the left-wing Socialist groups. Since only 142 of the total 283 seats were needed to win an absolute parliamentary majority, this was comfortably done by the Pibul Songgram regime by having all the 123 second category members as its nominees. Later events disclosed that about 70 nominated members had been supporters of General Phao. The real Phao-Sarit tussle began after the elections and the formal reappointment of the Pibul Songgram Government. As the newly erected parliamentary facade blocked the political manoeuvres of Marshal Sarit, he instigated a public agitation against General Phao with a view to ousting him from his entrenched Cabinet position.

Between March and July 1957 a widespread campaign was started against General Phao by the Unionist Party. Other political factions, such as the Democrat Party and the left-wing Socialist groups demanded the resignation of the Government on grounds that it had failed to relieve the economic sufferings of the masses and guide national politics for the full benefit of Thailand. The left-wingers going a step ahead demanded the formulation of a neutral foreign policy, Thailand's abrogation of SEATO membership and opening of diplomatic and trade relations with China. In the midst of these domestic political conflicts there developed an anti-American agitation and opposition political circles accused the Government of "being subservient to the United States." Leftist and independent newspapers and periodicals assailed America for "interfering" in the national affairs of Thailand. There can be no question but that the Sarit-controlled Army directly or indirectly backed the anti-Government agitation with the main purpose of forcing the resignation of General Phao.

General Phao as Interior Minister, Chief of Police and Head of Police Intelligence, as well as commander of the para-military police force wielded as great a power as Marshal Sarit, who as Defence Minister and aided by his four Army colleagues in the Cabinet formed the hard core of the military junta in the Government. This military junta started a whispering campaign saying that General Phao was a Communist, that he was an anti-American who wanted Thailand to follow a neutral policy, and that he was maintaining secret commercial contacts with China. To counter it the adherents of General Phao tabulated how Marshal Sarit was amassing huge wealth by running lotteries, banks and many commercial enterprises. It is indeed peculiar that in Thailand ministers are permitted to operate all types of business while in office. In fact many Thai politicians have become enormously rich by holding ministerial positions.

By the end of July 1957 the rivalry between Phao and Sarit had come to such a pass that Prime Minister Pibul for the first time realised that drastic action should be taken to protect his regime. After due consideration he suggested that General Phao should give up his posts of Chief of Police and Head of Police Intelligence but remain as the Interior Minister. In turn Defence Minister Sarit and his four Army colleagues in the Cabinet should amicably compose their differences with General Phao. The Sarit junta declined to accept the Pibul formula and towards the end of August Marshal Sarit and his four colleagues resigned from the

Cabinet. Their resignation at once gave the impression that another military *coup d'état* would be staged soon. Meanwhile Marshal Sarit succeeded in persuading 62 nominated parliamentary members to resign from the Government Seri Manangasila Party. This shattered the parliamentary majority of the Government. At the same time the Unionist Party openly joined forces with the Sarit clique, but the Democrat Party led by former Prime Minister Nai Khuang Aphaiwongse refused to cast its lot with it. The left-wingers who had by that time organised themselves into a single political faction called the Left-wing Socialist Front under the leadership of Nai Thep Jotinvcit urged the resignation of the Government and holding of fresh parliamentary elections to elect a popular Government.

As Marshal Sarit failed to persuade Marshal Pibul to throw out General Phao, he began making hurried preparations to stage a bloodless *coup* in the typical Thai tradition. It is an unwritten convention among the military leaders of Thailand since 1932 that if a *coup* is organised opposition military leaders should not resort to arms. After alerting his military commanders Marshal Sarit obtained the support of King Phumiphol Aduldet for his plan. The long-standing differences between Marshal Pibul and King Phumiphol were fully exploited to show that Marshal Pibul had committed acts of *lese-majeste*. Supporters in the Navy and Air Force were told to get ready. After these preparations Marshal Sarit formed a National Security Committee in the middle of September and demanded the resignation of the Cabinet. Marshal Pibul refused. About this time General Phao had given up his two other posts and was continuing as the Interior Minister. On September 16 Marshal Sarit seized power. His right-hand man, Lieutenant-General Nai Thanom Kittikachon, commander of the First Army, took charge of Bangkok. Marshal Pibul hastily fled to Cambodia and is now living in exile in Japan. General Phao went to Switzerland. It seems that Marshal Sarit had given specific orders not to intercept his former leader and former colleague.

Admiral Luang Yuttasart, commander-in-chief of the Navy, and Air Marshal Fuen Ronnapakas, Air Force chief, were put under surveillance and with the formation of the Provincial Government they were released and replaced by Sarit nominees. The key supporters of General Phao in the Interior Ministry, in the Police Department and in the Police Intelligence Department were removed and their places were filled by Sarit adherents. Parliament was dissolved and a Provisional National Assembly was created with newly nominated second category members carefully selected by the Sarit clique. It was announced that new elections would be held within three months. On September 21 52-year old non-party and independent statesman, Nai Pote Sarasin, was chosen by Royal Proclamation as the caretaker Prime Minister. Until then he was Secretary-General of SEATO, the headquarters of which are located in Bangkok. The Caretaker Cabinet was filled with the top supporters of Marshal Sarit. For instance, General Thanom Kittikachon was appointed Defence Minister; General Praphas Charusathine, another Army commander, to the post of Interior Minister; and Unionist Party leader Sukit Nimanheiman, Economic Minister. The Provisional Parliament passed a bill appointing Marshal Sarit the Supreme Commander of the Armed Forces. Thus Marshal Sarit not only became the "Supremo" but the real dictator. The Pote Sarasin Cabinet was asked to remain in office until the new elections which

were held on December 15 last. After the elections General Thanom formed the first "Sarit bloc" Cabinet.

Little enthusiasm was shown by the people in the December elections. The predominantly peasant population of Thailand is not very much interested in politics and government. The rural people have firm faith in their king and so any government under the king is welcome to them. This is the reason why politics in Thailand is manipulated by a handful of rich people and why no serious attempt has yet been made to introduce a democratic form of administration. Still the newly risen left Socialist politics and the persistent liberal approach of the Democrat Party reveal that a readjustment of national politics is bound to come sooner or later. The elections were clean and fair, but following the usual Thai tradition of going along with the group in power the majority voters voted for the Sarit group. Marshal Sarit on the election day told newspaper correspondents that 90 percent of the military personnel would go to the polls. He correctly estimated that the civilian votes cast would be proportionately small.

The elections were for the 160 category elective seats. More than 810 candidates from 19 political parties contested the seats. The Democrat Party had put up 141 candidates, the Unionist Party 140 and the Left-wing Socialist Front and factions linked to it 100. Most of the remaining 429 candidates were Independents. They included Pro-Sarit former members of the Seri Manangasila Party which had disintegrated completely after the overthrow of the Pibul regime, and candidates put up by the Sarit bloc. This was the first time that military officers had contested elections. The results were as follows: the Unionist Party 45 seats; the Democrat Party 39 seats; the Left-wing Socialist Front 15 seats; and Independents 61 seats. Most of the Independents returned are former members of the Seri Manangasila Party. The leftists lost seven seats. In the last Assembly they had 22 seats. It is noteworthy that the extreme left faction, the Economist Party, captured six seats. On the whole the elections gave a clear verdict in favour of the Sarit junta, for most of the independents were aligned to it. This was in addition to the Unionist Party support.

Following the elections Marshal Sarit quickly organised his military party called the Chatsangkham or the National Socialist Party. At a press conference Nai Amphorn Chintakanon, legal adviser of the party, said that the Chatsangkham comprised all the 123 newly nominated members and more than 80 elected members. In other words 35 former members of the Seri Manangasila Party and the 45-member Unionist Party bloc formed the National Socialist Party. It was expected that a few more Independents would join the party. A party statement declared that the National Socialist Party would welcome the collaboration of other parties and Independents. By other parties it was primarily meant the Democratic Party whose political platform is not radically different from that of the Unionist Party. The Democrats support SEATO and the continuance of the present anti-Communist foreign policy.

Marshal Sarit said that his party would follow the Unionist Party policy. He then explained that the policy would have "50 percent Nationalism and 50 percent Socialism." Sukit, leader of the Unionist Party, and General Thanom Kittikachon were appointed deputy leaders of the party. Sukit said that the party would pursue a "mild Socialist economic policy." He described the United

Nations and SEATO as "organisations of peace." On January 1 the National Socialist Party formed its first Cabinet as the mouthpiece of the Sarit junta. General Thanom Kittikachon was appointed Prime Minister and Defence Minister. General Thanom has said that he favours the activation of a "mild Socialist" policy to improve the economic conditions of the country. The 46-year old Prime Minister has never been in politics and that is why he has two seasoned politicians as two of his three deputies. He is generally regarded as a man who believes in following a "middle-of-the-road" policy. He has however categorically declared that there would be "no change in Thailand's foreign policy," meaning that Thailand would honour all her SEATO obligations and would continue to pursue an anti-Communist policy internally and externally. He has indicated that the question of recognising the Peking Government would be "considered when the United Nations took up China's admission."

It appears that the National Socialist Party has been formed as a means of curbing the party-political Socialist tendency in the country. In fact, the previous Government of Marshal Pibul had followed a lukewarm Socialist policy in domestic matters. In Thailand the Socialist tendency is gaining ground purely because of economic reasons. Despite foreign aid there has been no substantial improvement in the economic picture of the country. Only a handful of people have become rich. Economic resentment is therefore influencing thinking people towards Socialism more as an economic panacea than as a political ideal. Only the left Socialists are determined to promote Socialism politically in order to follow an uncommitted foreign policy and a domestic Socialist economic programme.

A careful analysis of the statements made by the leaders of the National Socialist Party gives the impression that it will promote, at least for the time being, a Rightist type of Socialism in as liberal a manner as possible to demonstrate that a ruling military junta is truly interested in the economic well being of the masses. This means that it will not become a dictatorial party and disband all other existing political parties. Marshal Sarit believes that a certain amount of party politics must be allowed to function as a check against a single-party rule, even if the country is controlled by military dictatorship. It is not difficult to understand why he says that Thailand will pursue an independent policy. "It is best to follow," he says, "no one's example and not to use the word 'neutrality,' for using it would also mean following someone's example. I say what we are pursuing is an independent policy of our own."

According to Sarit, Thailand has independently decided to remain a member of SEATO and to combat Communist subversive activities. She is now following the policy of the United States or any other western power. It is a fact that during the tenure of the caretaker Cabinet of Pote Sarasin a Thai journalistic delegation was permitted to visit China. A certain amount of trade with China is being allowed. Whether Thailand's National Socialism will develop into an inflexible military machine or not cannot be evaluated at this stage when stress is being laid on maintaining political flexibility. In all the neighbouring Indo-Chinese peninsular countries, including South Viet Nam but excluding Malaya, Socialist economy is on the march. Thailand's National Socialism may be viewed as the initial move towards creating an economic revolution in harmony with that march.

SOVIET CENTRAL ASIAN REPUBLICS

We print here a résumé by Dr. L. Delgado of a study undertaken by the UN Economic Commission for Europe of the four central Asian Soviet Republics of Uzbekistan, Kirgizia, Tadzhikistan and Turkmenia'. The region, which has an area of 1,200,000 square kilometres with a population of nearly 13 million, is isolated from its neighbours either by vast deserts or by immense mountain barriers. The area has been divided by Russia by linguistic criteria: it has a common history and a common Islamic culture. The economic importance of the region did not become obvious until the American Civil War cut off cotton supplies from Russia in the last century. Russia then decided to extend her frontier across the Kazakh steppes, for cotton had been grown in Uzbekistan for seven centuries. Railways were built, and industrial enterprises established, but local crafts, for which the region had long been famous, declined. The present study has involved a visit to Uzbekistan and Tadzhikistan by members of the Secretariat and the sifting of an enormous amount of statistical material. Some of the problems examined are special to the area, but others are common to other underdeveloped countries, and can be studied certainly with interest and probably with advantage by all eastern countries aspiring to a better life.

THE Russian revolution had done much economic harm to the central Asian region, and the output of industry by the middle twenties was about half the 1913 level. Real progress did not begin until 1950. Industry and mining employed 3.8 percent of the population in 1955, as against one percent in 1897. Agriculture employed 28 percent of the population in 1955, compared with 26.6 percent of a smaller population in 1897.

The increase in the urban population of one million between 1926 and 1939 is due almost entirely to immigration, nearly all non-Asians who went to man the industries. During the war much Russian equipment was moved to central Asia and new industrial plant was constructed; further immigration took place—women from the transferred factories, people evicted from disaffected areas in the Caucasus and Crimea, and prisoners. Although statistics are incomplete, it appears that in recent years the population has been increasing in numbers at a higher rate than elsewhere in the Soviet Union. Because of these demographic movements, the share of the population engaged in industry in central Asia is no more than half that of the Soviet Union as a whole. The area, however, is much more industrialised than neighbouring Asian countries, India not excepted.

The higher rate of increase of the central Asian population sets a special problem. It seems that immigration will have to be discouraged and industrialisation pushed forward. But the Russians wish to strengthen the non-Asian proportion in a region which was strongly separatist during the revolution and civil war. Moreover, recruitment of local Muslim women for the textile industries is difficult. The major aim of Russian policy in the region is to raise cotton production: A rural exodus is thus to be avoided.

Role of primary production in the economy

Central Asian agriculture differs considerably from that characteristic of the rest of the USSR. Cotton has been the main crop for seven centuries, together with rice and silk (via the mulberry). Food crops are grown for local consumption only. Comprising only three percent of the Soviet Union's sown area, the region is thus highly important as a supplier of raw materials for the Russian textile industry.

Compared with neighbouring Asian countries, the region has more cultivated land per inhabitant, and most of it is irrigated: because of its low population density it compares favourably also with the poorer and least industrialised regions of Europe. Cotton yields are much higher than in neighbouring Asian countries, and are comparable with those of Egypt.

The typical central Asian farm is a huge cotton plantation. There are now only 3,600 State and collective farms in the whole of the region, with an average sown area of 1,450 hectares, as against some 14,000 farms in 1940 with an average of less than 400 hectares. Each farm consists of about 400 families, who live in scattered villages and who are organised in separate "works brigades." There are 25 agronomists and 40 technicians per 10,000 workers (a figure 58 percent of that for Russia as a whole).

The pre-revolution policy of developing cotton production was intensified by the Soviet authorities. Not only were positive measures (irrigation, better seed) continued, but restrictions were placed on rice cultivation in order to reserve irrigated areas for cotton. The railway built during the first Five-Year Plan had as its object the bringing of grain from Siberia, thus allowing the region to have a considerable grain deficit. Now central Asia provides 85 percent of the internal cotton consumption, compared with 50 percent of a much smaller consumption before the revolution. Cotton production is now five times greater than before the revolution, and is of much better quality (an increasing share of the production being long-fibre cotton).

This increase has been achieved by irrigation works and by replacing other crops (mainly cereals): fertilisers have improved yields. A more rational system of water utilisation has resulted from collectivisation. High premia are paid for cotton, and this has resulted in a reduction in the acreage under alfalfa with which it alternated. Cotton has become a monoculture: a more varied rotation must be introduced if the yield is to be maintained, much less raised.

The cattle population of the area, though larger than before the war, has not increased at the same rate as the human population. Sheep have increased in number and improved in quality.

The effects of the cotton premium system on income and productivity merit special attention. Yields have increased in a spectacular way, but the good farms have attracted

¹ Economic Bulletin for Europe, November, 1957, HMSO, 3s. 9d.

*When only
the best
will do*



BENSON and HEDGES
Super Virginia Cigarettes

BENSON & HEDGES LTD · OLD BOND STREET · LONDON · ENGLAND

such a large number of workers (for instance, children will not leave when they become of age) that they are in effect overstaffed. This is so because, as in the rest of Russia, surpluses are used not only to make payments to members but to finance capital investments, to build schools, hospitals, and club houses. As labour is entirely directed in central Asia, as elsewhere in Russia, this is a problem that requires the study of the central authorities if maximum efficiency is to be preserved.

There seems no doubt that some of the surplus labour of the high-yielding farms would be employed to better purpose on farms suffering from salinity or waterlogging. Some Soviet experts estimate that 50 percent of the irrigated area in central Asia is damaged in this way. Yields from such land seldom exceed 15 to 19 quintals per hectare, compared with yields of 25 to 27 quintals from undamaged land. In Tadzhikistan, where the agricultural population is more dense than elsewhere, there is much concern about the low productivity of labour. It was proposed to double this productivity between 1955 and 1960 by further mechanisation and intensification of production. But it is suggested that this could be done more effectively by increasing the mobility of labour, which would be encouraged by abolishing the premium system and introducing taxation changes so that work outside the high-yielding farms would be more attractive.

Specialisation in cotton is characteristic not only of central Asian agriculture but also of its industry. Cotton ginning and production of cotton-seed oil, fertilisers, and cotton-picking machines are among the major industries. Uzbekistan provides the Union with 100 percent of its cotton and 85 percent of its ginned cotton. Apart from some exports of ores and mineral oil, the region is completely dependent on its agriculture (and especially on its cotton) to pay for the necessary imports of cereals, timber, and industrial goods.

Living standards in central Asia

It might be thought that although the degree of industrialisation is less in central Asia than in the rest of the Soviet Union, primary production was so remunerative that living standards might at least be equal. From a recent Abstract (for 1955) for retail trade statistics, it appears that the value of turnover per head in State and cooperative shops is 25 percent lower in central Asia than in the Soviet Union as a whole. But this figure excludes farm market sales: moreover, farmers, who produce part of their own food, account for a larger share of the population of central Asia than in the Union as a whole. It is possible, too, that farmers obtain their supply of cereals from retail shops.

Correcting our estimates in this light, it appears that the rouble value of per capita consumption of industrial consumer goods in central Asia is about 22 percent below the all-Union average. But the real difference is somewhat larger because most textile purchases in central Asia are made in rural shops, where there is a surcharge of 10 percent.

Contrary to expectations, living standards in the "cotton" republics, as measured by per capita consumption of non-food products, are distinctly higher (by 15 to 20 percent) than in other non-industrial areas of the Union. The non-cotton growing republic of Kirgizia conforms to the expected pattern of a low standard of life. Turning to urban consumption standards, we find that in 1955 the per capita expenditure on non-food products was roubles 1.979, slightly more than double the corresponding figure for the four republics as a whole. This figure for the capitals is 10 percent less than the corresponding expenditure in other republican capitals and less than half that of Moscow. For food purchases, the differences are greater because in central Asia a larger share of money is spent in the farm markets, where prices are much higher than in the State or cooperative shops. This difference in consumption standards is what might be expected from the absence of heavy industries, which pay higher wages, and from the larger number of dependents per active worker in central Asia.

In central Asian industry the average earnings are 7,000 roubles a head per year. Cotton farmers in 1953 obtained money incomes, varying according to farms, from 2,000 to 10,000 roubles. To this should be added supplies in kind obtained from the collective farm and income in money and kind from private plots (which in many cases give much more than the income from collective farms). There is no doubt that the incomes of members of high-yielding cotton farms are much higher than those of industrial workers, while the incomes of the low-yielding cotton farms and of the ordinary farmer are much lower than the incomes earned in industry. Housing standards are very low. New construction has done no more than keep pace with wastage over the last 30 years.

Light on the distribution of incomes is thrown by data on savings bank deposits. The average balance per depositor is fairly close to the Soviet figure, but the number of depositors is less.

Since the population of European origin is highly concentrated in the towns, where living standards are higher than in rural areas, the non-Asians living in the region are better off than the people of local nationalities.

Investment and terms of trade

In the past, State investment in central Asia was in the hands of the State Planning Commission, but recently more responsibility has been transferred to the republics. But the central Government retains real control by fixing turnover taxes, profits and prices.

Following the usual pattern of Soviet economy, a high share of the national income is devoted to investment, but running at only two-thirds of the Union average. For collective farms the proportion invested is as much as one-third or one-half, as against 10 percent for the USSR as a whole. If we take the ratio of investment to consumption the figure per head for central Asia is the same as for the whole of Russia. But even such a high rate of investment may be insufficient to prevent the region from falling farther behind other parts of the Soviet Union in the degree of industrialisation—and this because the very high rate of

population increase requires larger amounts of "demographic" investment in order to prevent a decline in the stock of capital per head. This is a problem that must give anxiety to the authorities if productive employment is to be found for the large number of children that will become of working age in the next decades.

Little information is available on the terms of trade of the region. The crux of the matter is simple enough: the terms will depend upon the ratio of the price obtained for the cotton of the area to the price of its requirements from outside, consisting mainly of cereals, capital goods and some consumer goods. Account will also have to be taken of the price central Asia pays for the services (including defence) that the region obtains from the central administration. The issue is clouded by what appears to be manipulation on the Soviet Union's part of the price of grain it sells to central Asia, which rises when cotton prices rise. The price ratio of cotton-grain is less favourable than it is in the US, but, on the other hand, the opposite is true if we take the ratio of cotton-steel.

If the high income earned in central Asian cotton production is due to high prices (because the USSR wishes to avoid imports) rather than to high productivity, then her position is inherently weak.

Investment in Man

The standards of health and education in central Asia have improved so strikingly in the period of Soviet rule that the relevant comparison is no longer with neighbouring Asian countries, but with countries of western Europe. Investment for medical and educational services has been higher per capita in central Asia than for Russia as a whole. The number of physicians and the number of hospital beds, accompanied by better foods, have reduced mortality to levels which are highly satisfactory by any standards.

Similar progress has been made in education. The education of girls is particularly praiseworthy in an area with Islamic prejudices in this direction. The time will come soon when it will no longer be necessary for central Asia to import specialists and skilled workers from the USSR.

Grievances in South India

By A Correspondent in Madras

THE hostile reception given to Mr. Nehru by a section of the people and the stormy scenes that Madras went through during his recent visit to the city will disconcert all friends and well-wishers of the Prime Minister. Earlier, Mr. Nehru had provoked a highly sensitive political party in Madras State by certain angry utterances, but those who know the Prime Minister well would hardly rebuke him. Nevertheless Mr. Nehru and the Government of India need all possible imagination and sagacity to successfully meet the challenge of a pair of militant political parties in Madras State: The Dravida Kazhagam or the Dravidian Party (DK) and The Dravida Munnetra Kazhagam or the Dravidian Progressive Party, (DMK).

Not many in Madras expected or bothered to think on the eve of, or even soon after, independence that the Dravida Kazhagam would emerge within ten years as a political and social factor to reckon with. And yet, in retrospect, it is clear that this development was inevitable. The Dravida Kazhagam is a very convenient vehicle through which politicians can rouse popular excitement. The Congress Party absorbed people's attention and won their allegiance in Madras (as elsewhere) during British rule which it sought to throw out. The people had no time for the DK which was clamouring about a less exigent evil. British withdrawal threw the Congress into power and therefore on the defensive against the DK which had then plenty of time to work out its ambitions.

Originally there was only the DK. Differences between the leader of the DK and his followers led to the creation of the new DMK, which is now the more important party, led by younger, more brilliant and energetic men. They have concentrated on the caste evil and have built up a philosophy of rationalism the controversial aspects of which may be ignored here for reasons of space. Their campaign against the caste evil menaces the small unhappy Brahmin community in South India. Brahmins are at the topmost rung of the

caste ladder and they are the traditional representatives of the priesthood. In the past the lower castes were persecuted by brahmins who abused their privileges. These privileges have now disappeared and the Government of India has, since June 1955, ruled the practice of caste in any form a punishable offence. The Government of Madras has also imposed many disabilities on brahmins.

This anti-caste policy of their opponents, the Congress Party in power, has however not mollified the wrath of the DK and the DMK in the Madras State, against casteism which they have practically identified with brahminism despite the fact that casteism is practised by many non-brahmin communities. It is not difficult to discover the reasons that generate so much hostility against the brahmins in South India. They are a very small minority comprising just 3 percent of the entire population of India and yet have attained a social importance out of all proportion to the size of their community. In Madras State in particular, the prosperity they seem to enjoy in all walks of life, thanks to their active utilisation of educational and other opportunities provokes the vast majority of poor non-brahmins into believing that the brahmins are parasites; and naturally this excites jealousy which excellently serves political engineering.

The DMK has repeatedly stressed that *brahminism* and not brahmins is its enemy. Brahmins would indeed be very much comforted if these protestations were not belied by perpetrations. The DMK is building up a mass movement and it cannot ignore propagandist tactics and manoeuvres. It is difficult and even foolish to abstract the caste evil in particular when they have the obliging physical presence of a small minority the brahmin community, traditionally embodying it. The helpless brahmin community in Madras State has in the recent months suffered insults and outrages from simple and emotionally excited non-brahmin masses, inflamed by the writings and speeches of DK and DMK.

leaders and constantly live in apprehension and fear.

Those who lead the DMK are believed to be men of integrity and they may be relied upon not to perpetrate excesses. But the same cannot be said of the DK which is led by a cantankerous octogenarian frustrated at the eclipse of his party by the vigorous DMK, the leaders of which were originally his followers. Not long ago, the DK leader also proclaimed that his enemy was brahminism and not brahmins. But he has now totally abandoned these pretensions and has made extraordinary speeches inciting his audiences to loot, burn and kill brahmins leaving his countrymen to wonder whether he was a lunatic who should be ignored or a dangerous criminal who should not be at large. Mr. Nehru who visited Madras in December was provoked beyond measure by these utterances and condemned the DK leader in very strong terms. Unfortunately he made certain very indefensible statements that angered the leaders of the DMK as well. They therefore decided to hold a black flag demonstration against Mr. Nehru when he again visited Madras in January. The Madras Government imposed a prohibitory order which the DMK defied with very unpleasant consequences. The DMK leaders were arrested the police had to resort to violent measures against the DMK followers who ran amok and disturbed the peace worse than it had ever been in Madras since independence.

Mr. Nehru was certainly right in rebuking the DK leader's incitement to bloodshed and murder and few could take exception to what he said. But he involved himself in some angry sentimentalisation which enlightened men would find very strange. The frustrated DK leader was organising a campaign for mass burning of India's national flag and copies of the Constitution of India, since in his view these had brought no blessing to the people of Madras. Mr. Nehru was violent in his condemnation and declared that such men had no place in India and would do well to "pack up and go."

The Prime Minister unhappily forgot that the Government can make no demands on the citizen beyond requiring him to keep the peace and refrain from being a menace to other citizens; it has certainly no jurisdiction over his thinking. Mr. Nehru made his remarks in the course of an emotional speech. He is prone to emotional outbursts and gracefully apologised afterwards. Matters were messed up in Madras by the Madras Government who intervened with a prohibitory order when the DMK decided to demonstrate against Nehru, as a protest against his speeches. The DMK's right to hold such a demonstration could not be contested in a democracy but the Madras Government did not even

bother to give reasons for their prohibitory order. Their high-handed action against the DMK leaders plunged the city of Madras into civil commotion.

The DMK is something more than a party pledged to the abolition of caste. It agitates for an independent Tamilnad (the area comprising the present Madras State) since it feels that the south suffers from north Indian domination and exploitation at present, and has a raw deal in the Five Year Plans. This is a grievance which almost all south Indians share with the DMK and the Government of India has not successfully met charges of step-motherly treatment towards the south. Their policy with regard to the official language of India has been vehemently opposed in south India particularly in Madras State. The Madras Language Convention has urged the continued use of English as the official language even after 1965 by which time the Government of India expect to switch fully over to Hindi from English. Mr. Nehru was at first unpleasant in his criticism of this demand though he later gave comforting assurance that non-Hindi speaking people would not suffer from any disability and Hindi would never be imposed on an unwilling people.

Mr. Nehru and his Government need to employ all their persuasiveness towards the south. Irritation and shouting will only drive the south into greater and uncooperative truculence. The DMK, despite their uncompromising opposition to Mr. Nehru, believe in his fairness and sense of justice. It is yet to be seen whether Mr. Nehru can make headway among these people. Anger and unimaginative behaviour towards whom may well slice a second Pakistan off India.

ASIAN ANNUAL 1958

20s.

The authoritative reference book on Asian Trade,
Government and Development

Publication Date: July

A few copies of the 1957 edition are still available at 15s.

JUST PUBLISHED!

AFRICA ANNUAL 1958

21s.

The first concise reference book on Africa, compiled
on the lines of the successful "Asian Annual"

58 Paddington Street, London, W.1

ASIA is a New Continent To-day
KNOW IT BETTER
through

Asian Recorder

A Weekly Digest of Asian Events with Index

A MUST Reference Work on ASIA

For all Libraries, Universities, Colleges,
Newspapers and Public Bodies

Write to:

Manager, ASIAN RECORDER
10 Sikandra Road, New Delhi, 2 (INDIA)

ASIAN SURVEY

POLITICAL RESTLESSNESS IN JAPAN

From Stuart Griffin (EASTERN WORLD Tokyo Correspondent)

A DISSOLUTION of the Diet and general elections are inevitable this year and will dominate the political scene.

The question is not one of whether these twin events will happen but rather when they will occur — March-April, or as late as September-October.

The present House of Representatives was elected in February, 1955 and the term of its members expires in February, 1959. But though the Lower House has a year of life ahead, this year will be snuffed out by Prime Minister Nobusuke Kishi, acting forcefully to end a situation of political impasse whereby the Conservative two-thirds of the Diet strength is stymied, legislatively, by the one-third seated by Socialists and Communists.

The last general elections were held under the caretaker cabinet of Premier Ichiro Hatoyama, but since then, increasingly things have occurred which now necessitate general elections under the principle of parliamentarianism. The Liberal Party and the Democratic Party amalgamated into the Liberal-Democratic Party. Mr. Hatoyama retired ill and ageing in favour of Tanzan Ishibashi, who in turn taken sick, swung the power over to Mr. Kishi.

The policies of three successive administrations in a matter of a few months swerved according to these changes in the premierships but no general elections were sought for fear of Socialist gains, at Conservative expense, as the Right and Left Wings of the Socialists came together and opened a solid anti-Liberal-Democratic Party front. Now, however, Mr. Kishi must face a test of his leadership in Party ranks, and before the end of 1958, the year, according to the Japanese calendar, of the Dog.

Party regulations stipulate that there must be a public election of the party chieftain every two years and it was two years ago, come this next December, when Kishi was defeated by Ishibashi, only to take up the dual office of party chieftain and Prime Minister when Mr. Ishibashi stepped down because of a sudden illness. A further point is this: Mr. Kishi's personal strength is not as robust as it should be for a man charged with the political helm of the Japanese State. The tide of dissidence has risen recently to new heights, as the opposition challenges the alliance of Kishi-Ono-Kono now leading the Party.

Japanese politics, traditionally shot with feudalism and factionalism, was never more splintered than at present. Togiya Yoshida, one-time Ambassador to Britain and four times post-war Prime Minister under proconsul General Douglas MacArthur, has a staunch following for his "America first" policy. He disputes the Kishi theory that Japan must cultivate the neutral nations and cuddle up to Communism. Supporters of Yoshida are vigorous in their objection to ex-Minister of Agriculture-Forestry Ichiro Kono, now Director-General of the Economic Planning Board, and the man many consider the real power in the Kishi Cabinet.

Tanzan Ishibashi, regarded here as an "inflationist" in a prolonged age of deflation, is staging a political comeback. Recovered from his illness, he is actively challenging the economic thinking of the man to whom he ceded the premiership, and is four-square against Kishi's domestic policies, many of them drafted by Kishi's right-hand adviser, Bamboku Ono.

Another group which once banded together as the Progressive Party under Japan's late Foreign Minister Mamoru Shigemitsu is also vocally ranged against the Kishi Cabinet. And there are at least six other well-organised, though smaller factions that seek to challenge the reign of the present premier. Liberal-Democratic Party politics are divided into what is colourfully known as "main-stream" — meaning Kishi and his group — and "anti-main-stream," the splinter groups of Yoshida, Ishibashi, and others.

Members of the Lower House have, in fact, already begun their election campaigns, starting an impetus, that could well develop into an inertia. Funds are being spent, speeches being made, smiles for constituents being cultivated, and train and plane schedules pasted inside of hats. The longer Mr. Kishi delays before he makes up his mind to dissolve the Diet, the more costly it will be for him, it is said, in the inevitably forthcoming election. And still Mr. Kishi stalls.

Best guesses when action will be taken are these: (1) in April, after the Diet passage of the Government's budget plan; (2) in May or June, after the close of the 28th Diet session, or in October. No responsible political figure seeks an immediate dissolution. Economic prospects are dim right at present and will not brighten at least until the March 31 end of this year 1957-58 Japanese fiscal year. Too premature a dissolution plays into the hands of the clamouring Socialists, who might gain politically because of the Kishi Cabinet's loss and setback economically.

But paradoxically, big business — which is after all, as in most conservative countries, solidly behind the Liberal-Democratic Party — seeks an early dissolution, perhaps before the end of this fiscal year. Leaders seek a change, tiring as they are, fretful as they grow to be, of the Government's tight money policy of slackened imports, lowered production scales, thinned-down stockpiles, and less funds for plant rationalisation and expansion. Some leaders even charge the Kishi Administration with courting a depression by his insistence on the tight money policy of Finance Minister (and ex-Bank of Japan Governor) Hisato Ichimada. The grim economic prospects are also expected to force the slim well-manicured hand of Mr. Kishi. An aggravated depression can in no way be held a favourable factor for the Government party in general elections.

And death, as so often happens, is now an influencing factor. Eisaku Sato, Kishi's own brother (name changed

because he married into the Sato family) has taken over the position of Executive Board Chairman on the death of old statesman Shigemasa Sunada. Sato favours a swift Diet dissolution, before his older brother's political strength dwindles even further; while Sunada had been a chief hold-out for the Diet, with no dissolution, no general elections.

"Every dog has his day," said a Socialist well-versed in the English idiom, "and Mr. Kishi has had his. In this, the Year of the Dog, he will find that out."

Okinawa

America's Dilemma

From A Special Correspondent

Japan's relations with the United States have suffered a severe set back in Okinawa. American military rule in the Ryukyus was established by Article Three of the San Francisco Peace Treaty. It placed the islands under trusteeship with the United States as the sole administrative authority. Since then, the American armed forces have spent \$600 million converting Okinawa into an "essential part of American world-wide defences," to quote from a Congressional Report written in 1956.

Shortly after Commodore Perry had opened Japan to the West, in 1853, he suggested American occupation of the Ryukyus. His recommendation was not accepted. In 1945, American forces took the island in one of the most savage battles in the Pacific. More than 12,000 Americans and over 110,000 Japanese lost their lives fighting for Okinawa between April and June 1945. In his speech on January 12, 1950, the US Secretary of State, Mr. Dean Acheson, stated that Okinawa was part of the American defensive perimeter in the Far East. Although the United States recognised a rather vague concept of Japanese "residual sovereignty" over the Ryukyus, Okinawa is in fact the only American military base in the Far East where the Pentagon does not need to bother with the sensitivities of foreign governments. There exists an American commitment to remain on the island only as long as "conditions of threat and tension" prevail in the Far East. At the same time, however, American officials have repeatedly stressed that the United States will not leave their positions there "in a foreseeable future." Today, almost 50,000 American soldiers, seamen and airmen are stationed on Okinawa. Their presence and the conditions of their residence have been a sore spot in American-Japanese relations. Land sequestrations for the use of the American forces have been a major and permanent irritant with the population of 675,000 on the island which is less than 400 miles from the China Mainland. In the densely populated areas of the Far East, there are hardly more sensitive issues than those of land use and land ownership. Okinawa today is an American base with the longest runways in the Far East. From there, planes can reach China. Naval units based on Okinawa command the water routes in the region. Taiwan (Formosa) can be supported. As a matter of fact, the United States is committed not to decrease its forces in Okinawa without prior consultation with Taiwan. This, by implication, makes

Taiwan a decisive factor in American-Japanese relations as far as American rule in Okinawa is concerned. It goes without saying that this constellation is hardly satisfactory to Japan.

The people of Okinawa admit that American military spending has improved their standard of living. They are, however, not yet reconciled to the fact that new American cars, television sets, servants and gadgeted houses are still beyond their means, despite all American efforts to make a "showcase of democracy" out of their island. While the United States continues to expound the principles and the merits of democracy, the American High Commissioner in Okinawa can veto elected members of the representation. In November 1957, the Mayor of Naha, the capital of Okinawa, was removed from office by combined action of the High Commissioner, Lieutenant General James E. Moore, and pro-American city councillors for his leftist attitude. Resentment ran high. The vote, introduced by the Americans into Okinawa, became increasingly anti-American. New elections were announced. The two candidates for the post of Mayor of Naha, Tatsuo Taira and Saichi Kaneshi, differed only in the degree of their opposition to American occupation and American policies. Mr. Taira, a former Government official and businessman, was sponsored by the Socialist Masses Party. His opponent, Mr. Saichi Kaneshi, was supported by the Okinawan Peoples' Party and the ousted Mayor of Naha, Mr. Kamejiro Senaga. Both candidates demanded immediate return of the Ryukyus to Japanese sovereignty, Mr. Kaneshi the more violently. Consequently, the American administration preferred to see Mr. Taira elected, as the lesser evil of an embarrassing alternative.

In January, Mr. Saichi Kaneshi, the more outspoken anti-American of the two candidates was elected Mayor of Naha by a narrow margin of 34,968 against 33,968. Ironically enough, polls showed that his more moderate opponent Taira would have won by 3,000 votes if the poll area had remained restricted to the traditional boundaries of the township of Naha. An American-sponsored administrative reform, however, incorporated another small place, Mawashi, into Naha, in the expectation of strengthening the conservative element among the electorate. This hope was frustrated. The effect was the opposite.

Washington officials have not concealed their apprehension over the Kaneshi victory. Lieutenant General Moore, the American High Commissioner, sent a message to the newly elected mayor expressing the hope that he would conduct his office in a way "consistent with the same principle of democracy which enabled him to be elected." In Tokyo Mr. Kiichi Aichi, speaking for the Government of Japan, commented that the United States would find it most difficult to administer the islands in the future. Mr. Inejima Asanuma, Secretary of the Socialist Party of Japan, demanded immediate and unrestricted return of the Ryukyus to Japanese sovereignty. *Asahi Shimbun*, one of the leading daily papers in Tokyo, expressed apprehensions over Okinawa becoming a Pacific Cyprus. "The United States," added the paper, "should pay more attention to the opinion of the Okinawan people in order to promote friendly relations between Japan and the United States." The suggestion of Pacific Cyprus has also been voiced by the *New York Times*. According to Mr. C. L. Sulzberger, writing in the *New York Times* of January 19, the legitimacy of Mr. Kaneshi's mayoralty is unquestionable. The American administration

is faced with the awkward dilemma of defending the political privileges of a man who works against the United States. The remedy, according to Mr. Sulzberger, is the re-negotiation of the security arrangements with Japan with a view to maintaining the essential military bases in the area but abandoning the political and administrative control over the Ryukyus. The attempt to insist on sovereign control of Okinawa in the face of rising opposition on the island and the whole of Japan is liable to feed the propaganda mills of the so-called "Anti-colonialists" and "Anti-Imperialists" with which American tradition likes to identify itself.

Indonesia

Mistrust of Japan

From a Correspondent in Djakarta

The Japanese Prime Minister's recent tour of South-East Asia has produced no results to speak of. The failure is admitted by all, including the Japanese themselves who are now once again racking their wits about the problem: how to break through the wall of the anti-Japanese enmity prevailing in South-East Asia and ensure more or less normal relations with the countries of the area. Indeed, the Japanese have failed in all their attempts since the war to establish friendly relations with their Asian neighbours. And the reason seems to lie not only in the fact that the twelve post-war years have been unable to erase the four-year Japanese occupation from the memory of Indonesians, and others in the region, although this, too, is an important factor. The main reason is to be found rather in the fact that the Japanese are not trusted. What is more, they themselves keep giving cause for more distrust in the hearts of Asians.

The settlement by Japan of the reparations issue with Burma a few years ago evoked a keen interest in Indonesia for whom the problem of reparations had also been a stumbling block to regulating relations with Japan. However, two years later it became obvious to Indonesians that Japan was not honouring her programme of reparations to Burma. Having made considerable concessions to Japan in the belief that "a bird in the hand is worth two in the bush," Burma finds today that she is the loser. She, certainly, does not gain from the fact that the prices of goods supplied by Japan in payment of reparations are far above the prices on the world market. Neither can she expect to gain anything as a result of the Japanese government's plans to greatly increase the cost of the maintenance of Japanese specialists in Burma, which is included in the reparations payments. Every year the Government of Burma draws up its budget estimates in the hope that big reparation payments will be forthcoming from Japan, and every year Japan invariably finds some pretext to postpone or slash these payments.

Burma's experience has cautioned the Indonesian Government against making big concessions to Japan, although it did have such plans. Indonesians were going, for example, to abandon the demand that their \$170 million debt to Japan, accumulated in the course of the trade exchange between the two countries, be cleared off through

Japan's reparations. Now they prefer to keep to their original stand, and the sum is to be met as part of the reparation payments. With the agreement on reparations now reached in principle, Japanese-Indonesian relations are beginning to normalise. However, they will hardly be marked by any great warmth: the experience of Burma has undermined the confidence in Japan's probity. Neither is this the entire problem. The people of South-East Asia are worried because the policy of Japan is directed by the very same people who were making policy both before and during the war.

Mr. Kishi's statements before he set out on his Asian tour as well as his first speeches in South-East Asia made a favourable impression in Indonesia. However, the confidence in these statements was shattered when it was learned subsequently that in his talks with the heads of certain governments Kishi discussed not only economic but also military questions, among them the possibility of Japan's joining SEATO. It is said that this was the subject of a 40-minute discussion he had in Wellington with Mr. Holyoake, the retiring Prime Minister of New Zealand, and Mr. Nash, his successor. The issue came up in Canberra as well. There is all reason to believe that Kishi himself was the first to bring up this question, for it is well-known that Australia and New Zealand have so far been rather cool towards the idea of military cooperation with Japan. The Japanese Prime Minister evidently tried to persuade the two countries to change their mind. However it may be, the news of the nature of Kishi's talks shocked Indonesians, bringing back to their mind the past record of the Japanese Premier, who was a member of the Tojo Cabinet during the war.

"Won't the Japanese trader bring a soldier in his wake?"—such is the worry of Indonesians. And they are not alone in this anxiety. Many other people feel the same way. Indeed, it is hard to believe that with her potential military strength what it is Japan will not lay claims to the leadership in the bloc, once she becomes a member.

The countries of South-East Asia would, of course, be glad to avail themselves of the technological and other assistance from Japan, the most highly developed of the Asian countries. But the situation being what it is they will doubtless show extreme caution in relations with Japan.

India

Link with Tibet

From a Correspondent in Delhi

While the linking of India with Tibet by a motor highway is due to be completed next year, Indian traders in Kalimpong doing business with Tibet appear dissatisfied with the new Chinese regulations concerning the supply of specified goods. Already the Kalimpong Traders' Association has explained to the Indian Government that the new regulations are hindering the flow of trade with Tibet because of two basic reasons. Firstly China has specified the items to be exported, most of which the traders were unable to supply because they are urgently needed in India. Secondly Chinese regulations demand that all specified Indian exports to Tibet should be paid in the Chinese currency (yuan), which the

traders maintain is an "unbusiness-like" payments system.

Under the existing trading system Indian traders maintain their own trading centres at Yatung in Lower Tibet for purchasing Tibetan wool against payment in the Indian currency (rupee). Indian traders in return sell consumer goods including sugar, salt and cloth against payment in Chinese yuan. Thus the two-way trade based on the rupee-yuan payments system works out to mutual advantage. As a matter of fact under this system India is gaining a net annual revenue income from the Indo-Tibetan trade to the value of Rs.13,700,000 (£1,027,500). This income is likely to be reduced considerably, for under new regulations exports to Tibet are being so supervised and controlled that no longer will India have the opportunity of maintaining the traditional favourable trade balance.

This is the reason why traders have asked the Indian Government to make business-like arrangements for the utilisation of Chinese yuan imports accruing from exports to Tibet. The Government is said to be examining the question. Meanwhile traders have also urged the Government to improve the transport system between Kalimpong and Gangtok, capital of Sikkim, to facilitate improved Indo-Tibetan commercial intercourse. They have further pointed out to the Government that the establishment of an air link with Lahsa, capital of Tibet, would be beneficial to mutual trade relations.

Prime Minister Nehru has revealed that a motor road is being built connecting Gangtok with the Tibetan frontier. Only ten miles of the roadway remain to be constructed. Already 17 miles of the highway have been built. The road is expected to be finished and opened to traffic some time in 1959. China is also building a motor road from Lahsa

south-west to the Sikkim border to join the Indian highway there. The Chinese side of the road will be completed later than the Indian section. The Indian official view is that the linking of India with Tibet by a modern motor route would be of advantage to both countries, opening possibilities for the development of overland Indo-Chinese trade. It is understood that the Peking Government is now considering an application from an Indian private company for rights to establish an air cargo service between India and Lahsa. The Government of India has no objection to the establishment of an Indo-Tibetan air link. China is already running a regular air service between Peking and Lahsa.

In the meantime a five-member mission now in Lahsa is examining the problem of 'weeding out' reactionaries who stand in the way of modernising Tibet along Socialistic lines." The mission has been sent by the Central Committee of the Chinese Communist Party, following a request from Tibet's 10,000 strong Communist Party which complained of the "lukewarm attitude of the Tibetan authorities" towards the Lamas opposing the full implementation of the Socialist programme. Due to Lama opposition the execution of the programme has been put off for six years. It included nationalisation of monastery properties. The Tibetan Communist Party had called upon the Lamas to agree to the nationalisation of monasteries and enforcement of a system of monetary allowance to the Lamas "to keep up their traditional standard." The members of the mission have conferred with high officials of the autonomous Tibetan Government and top leaders of the Tibetan Communist Party. Later they will have talks with the Panchen Lama. Recently they were received in audience by the Dalai Lama.

The Indian Council of Foreign Trade has demanded that the Indian Government should conclude as soon as possible a trade agreement with the United States Government for the overall benefit of Indian economy. It points out that America is the second biggest importer of Indian products and yet after negotiations lasting for several years no trade accord has been signed. It stresses that the present foreign exchange difficulties of the country could be overcome by importing raw materials from the United States. It would also be easier to obtain a long-term US loan for the specific purpose of buying American products. The Council says that the Government should be extremely careful in imposing any export duties and should adjust the existing duties as soon as circumstances call for it. The Council expresses the opinion that "the existence of export duties is an anachronism in a country which wants to develop its export trade."

The Council particularly draws attention to the fact that, though trade with East European countries is very small, India has signed bilateral trade agreements with them. It is indeed a paradox that no trade accord exists between India and the United States, despite the fact that outside the Commonwealth trade America accounts for a large slice of India's foreign trade.

Under the five-year Indo-Soviet trade agreement of 1953, the validity of the two schedules of which has been extended to another year until the end of 1958, the turnover has increased more than 18 times. Official statistics reveal that the volume of Indo-Soviet trade in 1953-54 amounted to only Rs.17,500,000. It increased to Rs.324 million in 1956-57. Nearly 80 percent of India's imports from Russia in 1956-57 were capital goods, machinery and iron and steel. A unique feature of the Indo-Soviet agreement is that it

SELL TO FRANCE AND BUY IN FRANCE

All Roads of the Trade between
All Asiatic Countries and France
lead through

L'ASIE NOUVELLE (THE MODERN ASIA)

The Only French Monthly Review
Devoted to Economic Problems of
ALL COUNTRIES OF ASIA

Subscribe and advertise
Yearly subscription: £3/-/-

Subscriptions and information :
Eastern World, 58 Paddington St., London, W.1.

L'ASIE NOUVELLE is published at :
97, rue St. Lazare, Paris 9e (France)

provides payments in rupee currency for Indian purchases in Russia.

The Indian Finance Ministry discloses that foreign aid received by India up to July 1957 amounted to Rs.7,830 million. The aid was towards her development programmes from various countries with the United States topping the list. Of the amount Rs.5,810 million were loans and Rs.2,020 million grants. Of the total authorisation Rs.2,120,740,000 were utilised up to the end of March 1956 and the balance is available for the current second five-year plan. The total assistance from the United States amounted to Rs.4,000 million, from the Soviet Union Rs.1,230 million, from Canada Rs.400,910,000 and from Britain Rs.200,390,000. Separate British bank credits aggregating Rs.150 million were received for a steel plant. The aid from West Germany was only Rs.5 million. (One million rupees equals £75,000).

Malaya

Tin and Diplomacy

From our Kuala Lumpur Correspondent

Malayan tin mines, now subject to a reduction of more than 30 percent in their current production, are faced with an even larger cutback later this year following January's meeting of the International Tin Council in London. The council, in its struggle to overcome a world surplus of tin, has slashed world tin exports from April 1 to June 30 to 23,000 tons, which means an overall production cutback of 40 percent. Tin experts in Malaya believe that this country's own output during these three months will have to be reduced by 48 percent to keep her exports to the level authorised by the council. During the present quarter, from December 15 to March 14, Malaya's permitted exports are 10,125 tons and she has been forced to cut production by 34.4 percent. Malaya is the world's largest producer of tin.

A few mines have already started dismissing men although the full effect of the current 34 percent cut is not likely to be felt immediately. However, it does seem likely that if present controls continue for some time that about 10,000 miners will find themselves out of work. On top of the tin production cut there is the need to repay to the Government the amount of the second instalment to the buffer stock and a rather more than vague possibility that the third contribution might become due earlier than anyone expects.

The whole adds up to lean times for the tin industry and the possibility that no matter how benevolent management may be it will have to get rid of some of its staff. That the industry is susceptible, though not injured, to this kind of shock does not make the situation one whit less disturbing. Officially, the Government is watching the position, as it is watching a hundred and one other "positions," with the assurance that when the time comes something will be done.

After breaking post-war production records consecutively in 1955 and 1956, the tin output in Malaya last year tailed off slightly by 4.8 percent, the total of tin-in-concentrates produced being 59,293 tons. European and Chinese mining circles, however, have defended the international tin

agreement against attacks made on it by the National Mining Workers Union. They also described as "fantastic" and "ridiculous" the statement made by the Union that 7,000 workers from European-owned dredges and 5,000 others from Chinese mines, would be dismissed as a result of the tin control. The Union has attacked the tin agreement and made what is described as "alarmist statements" in an 11-page memorandum to the Minister of Labour, Mr. Ong Yoke Lin.

The secretary of the Malayan Mining Employers' Association, Mr. G. E. Pearson, said in Ipoh that if the international tin agreement had not been brought in, it would be far worse for Malaya than it was at present. He said the operation of this agreement had enabled many mines to remain in production which would have otherwise been closed down many months ago. "But for the agreement the price of tin would have dropped to far lower depths than it has done," he said. "We, Malaya, entered into the agreement as a means of saving the industry and we must see that it works," he added.

Turning to external affairs, Malaya's answer to the Soviet Government's appeal for "summit" talks in an effort to ease present world tensions and, perhaps, lead to a permanent settlement of outstanding issues, was phrased in the traditional language of diplomacy. But despite the studied phraseology there were some extremely cogent points raised. There will be those who will instantly claim that Malaya has been guided by the "imperialists" in her reply to the lengthy Russian advance. If so, then these people have but slight appreciation of this country's independent status and of her entire freedom to make her own decisions.

The reply to Russia was basically a cordial one for no responsible government would hesitate in accepting any approach which might lead to an easing of world tensions. No nation, however large or small, can live unto itself. At the same time, it was entirely proper that the Malayan Government, by implication if not direct challenge, should point out to the Kremlin the "tribulations" through which this country had passed, and was still passing, thanks to "a group of adventurers whose loyalty lies outside this country." The dimmest civil servant in Moscow would know full well to what the Malayan Government was referring although the sugar of diplomacy had been well wrapped round this particular pill.

If there is sincerity behind the Russian offer (and Moscow is presumably backed morally at least by its Chinese allies) then there should at least be proof of intention. And for Malaya, a halt to Communist terrorism, now in its tenth year, would be significant indeed. That this could be brought about immediately by even the slightest pressure from either the Kremlin or Peking is not doubted. On the issue of preliminary talks preceding the proposed "summit" conference, Malaya found itself in agreement with other western democracies.

Meanwhile, Malayan businessmen find no cause for alarm in reports that the Siamese Government plans to construct a canal across the Kra Isthmus—a 50-mile neck of land north of Malaya. It is generally felt that even if this canal is built, and it has been talked about for the past 100 years, it will not steal Malayan trade in any way. The canal will, however, provide a short cut between the Indian Ocean and the China Sea which will enable ships to by-pass ports in Malaya and Singapore.

The five-year project has been discussed many times by

the Siamese Government, but for one reason or another, either a change of government or more often than not, lack of money, the scheme has never emerged beyond the discussion point. Businessmen in Malaya maintain that while interest this year has again been revived in the proposed canal, it might well be talked about for another 100 years.

Mr. H. B. Hussey, president of the European Chamber of Commerce here, said that ships would still have to call at Malayan ports to collect rubber and tin exports. "We will still be importing the same volume of goods, if not more, because of the increasing population," he said. Another point which has been raised is that if the dues are heavy for use of the proposed canal, then many ships carrying low freight cargo might find it too expensive and still take the longer route via the Straits of Malacca and round Singapore into the China Sea. The proposed canal would probably affect Singapore a little more than Malaya but at the same time, Singapore is one of the world's leading ports and has the best docking facilities in the East.

Singapore

Colonial Battleground

From Our Singapore Correspondent

Singapore continues to be a very exciting place to live in and hardly a day passes without news of some dramatic development initiated by the "new brooms" of the City Council. The chief "broom wielder" is Mr. Ong Eng Guan, the first elected Mayor of Singapore. He has been kept extremely busy working a 14-hour day. It appears that Mr. Ong is interesting himself much more in the day-to-day administration of the City Council than was expected. The fact is that the exact duties of the Mayor have not been clearly defined and Mr. Ong is therefore interpreting them in whatever way he thinks fit. But he has made it quite clear from the start that his first loyalty is to his party (People's Action Party) and not to the City Council. A few days after he assumed his mayoral duties, the resignation was announced of Mr. J. T. Rea, the City Council's Chief Administrative Officer, and former President of the City Council. It was clear that the two did not see eye-to-eye, and Mr. Rea, being a Malayan Civil Service officer who had served in Malaya for over twenty years, was able to leave under the Government's "Malayanisation" scheme for expatriate officers. A temporary Chief Administrative Officer has been appointed, but this has not deterred Mr. Ong from assuming many of the Chief Administrative Officer's duties himself, and it is probably in this capacity that he has carried out several surprise efficiency checks of City Council Departments. Later, the City Secretary, also an expatriate civil servant of many years' service with the City Council, resigned for "health reasons." Mr. Ong has appointed another PAP Councillor as Deputy Mayor, and other PAP Councillors hold key posts in all Standing Committees of the City Council, thereby virtually controlling the City's finance and public utilities.

The latest bombshell he has thrown concerns his salary and allowances. He considers he should be paid a sum of

\$M7,000 per month (\$M5,000 of which he intends to pay into a sort of "Lord Mayor's Fund"), which would make him the highest paid mayor in the world. "This is the amount paid *in toto* to the former 'colonial' City Council President," he argues, "and why shouldn't I be paid the same?" In addition, certain PAP Councillors have asked for their Councillor's allowances to be increased from \$M200 to \$M400 per month. This does not seem to have gone down very well with the public, who, if anything, expected the PAP to set more austere standards.

In spite of this extravagance over salaries and allowances, Mr. Ong has indicated that he intends to economise over the transport and travel allowances paid to employees of the City Council. This bill now amounts to the staggering figure of \$M1 million per annum, and Mr. Ong now hopes to reduce it by 10 percent. Mr. Ong has also found time since assuming office to attack the local English language press which he described unequivocally as "colonial" and prone to publish news only of a "secondary information value." He explained it was for this reason he had decided to set up an Information Bureau to disseminate full unbiased reports concerning the activities of the City Council to both representatives of local and foreign presses.

The first full meeting of the City Council held on 31st January, lasted the unprecedented time of twelve hours before being adjourned at two-thirty in the morning. The Council had still not discussed the proposals to increase the Mayor's and City Councillors' salary and allowances, but it had decided to rescind the decision of the previous Council relating to contracts of service for expatriate (European) officers, which, it was alleged, would have cost the Council \$M14 million to implement. A new scheme is to be drawn up for these officers within the next four months, and, as one PAP Councillor put it, the \$M14 million could be spent instead on providing 4,555 public standpipes.

Meanwhile, the general effect of the new City Council on Singapore has been a disturbing one. There is already talk of the Government suspending the constitution of the City Council or, at least, curtailing the sweeping powers the Mayor has taken unto himself. Reports from outside have indicated that the attitude of the British, Australian, and New Zealand Governments might harden towards the granting of self-government to Singapore if there is a likelihood of a hostile party coming into power at the next general elections. These reports led to close questioning of Mr. Macmillan when he stopped over in Singapore last month. The British Prime Minister told a press conference that the Government in London would proceed with its undertaking to grant internal self-government, whatever Government may appear in Singapore in the future. There has been a big switch of cash from banks in Singapore to those in the Federation of Malaya, and cash held in Singapore banks at the end of December dropped 30 percent to \$M33.3 million, while Federation banks increased their cash holdings by more than 34 percent to \$M59 million.

Singapore's Chief Minister, Mr. Lim Yew Hock has announced that the question of introducing compulsory voting is being studied. Apparently, 75 percent of Singapore's estimated 750,000 registered voters have never been inside a polling booth. The Singapore Branch of the United Malay National Organisation (UMNO) which helped the PAP fight the City Council elections has announced that under no circumstances will it enter into an election alliance with the PAP in future. A number of British businessmen in the city

M
A
P
5
8

XU